

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



SW-03437A
Verde Santa Fe Wastewater Co., Inc.
6825 E Tennessee Ave. Suite 547
Denver, CO 802320

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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RECEIVED
APR 21 2008
CITY OF DENVER
WATER UTILITIES

FOR COMMISSION USE

ANN05	07
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4-21-08

COMPANY INFORMATION

Company Name (Business Name): Verde Santa Fe Wastewater Company, Inc.

Mailing Address 6825 E Tennessee Ave. Ste. 547

(Street)

Denver

(City)

303-333-1250

Telephone No. (Include Area Code)

CO

(State)

303-333-1257

Fax No. (Include Area Code)

80224

(Zip)

Cell No. (Include Area Code)

Email Address: jw@pivotalcompanies.com

Local Office Mailing Address 3225 N. Central Ave.

(Street)

Phoenix

(City)

AZ

(State)

85367

(Zip)

(602)227-4792

Local Office Telephone No. (Include Area Code)

(602)266-9404

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Jason Williamson President

(Name)

(Title)

6825 E Tennessee Ave. Suite 547

(Street)

Denver

(City)

CO

(State)

80224

(Zip)

(303)333-1250

Telephone No. (Include Area Code)

(303)333-1257

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address: jw@pivotalcompanies.com

On Site Manager: Pat Carpenter

(Name)

P.O. Box 264

(Street)

Williams

(City)

AZ

(State)

80224

(Zip)

(928) 606-0498

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address: Pat@aQualitywater.us

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: <u>CT Corporation</u>			
(Name)			
3225 N. Central Ave.	Phoenix	AZ	85012
(Street)	(City)	(State)	(Zip)
(602)277-4792	(602)266-9604		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Attorney: <u>Jay Shapiro - Fennemore Craig, P.C.</u>			
(Name)			
3003 N. Central Ave. Suite 2800	Phoenix	AZ	85012-2913
(Street)	(City)	(State)	(Zip)
(602) 916-5366	(602) 916-5566		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>jlshapir@fclaw.com</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization	30,909	16,227	14,682
352	Franchises			
353	Land and Land Rights	45,400		45,400
354	Structures and Improvements	105,138	7,856	97,282
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	328,735	115,057	213,678
362	Special Collecting Structures			
363	Services to Customers	73,179	25,613	47,566
364	Flow Measuring Devices	12,310	1,033	11,277
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.	731,733	166,617	565,512
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment	5,803	1,702	4,101
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.	4,676	1,458	3,218
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant	77,747	5,763	71,984
	TOTALS	1,415,631	341,326	1,074,305

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
351	Organization	30,909	5%	1,545
352	Franchises			
353	Land and Land Rights	45,400		
354	Structures and Improvements	105,138	5%	5,139
355	Power Generation Equipment			
360	Collection Sewers – Force			
361	Collection Sewers – Gravity	328,735	5%	16,437
362	Special Collecting Structures			
363	Services to Customers	73,179	5%	3,659
364	Flow Measuring Devices	12,310	5%	0
365	Flow Measuring Installations			
370	Receiving Wells			
380	Treatment and Disposal Equip.	731,733	5%	36,141
381	Plant Sewers			
382	Outfall Sewer Lines			
389	Other Plant and Misc. Equipment			
390	Office Furniture and Equipment	5,803	5%	290
391	Transportation Equipment			
393	Tools, Shop and Garage Equip.	4,676	5%	234
394	Laboratory Equipment			
395	Power Operated Equipment			
398	Other Tangible Plant	77,747	5%	3,854
	TOTALS	1,415,631		67,300

This amount goes on the Comparative Statement of Income and Expense Acct. 403

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$11,035	\$8,691
132	Special Deposits		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	47,850	29,323
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	0	40
	TOTAL CURRENT AND ACCRUED ASSETS	\$58,885	\$38,054
	FIXED ASSETS		
101	Utility Plant in Service	\$1,392,427	\$1,415,631
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(274,026)	(341,326)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$1,118,401	\$1,074,305
	TOTAL ASSETS	\$1,112,359	\$1,177,930

NOTE: Total Assets on this page should equal **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITES		
231	Accounts Payable	\$24,619	\$63,345
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	60,991	50,047
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$85,610	\$113,392
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
252	Advances in Aid of Construction	\$	\$
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	978,305	978,305
272	Less: Amortization of Contributions	(223,282)	(176,636)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$755,023	\$801,669
	TOTAL LIABILITIES	\$840,633	\$915,061
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$203,658	\$203,658
211	Other Paid in Capital		
215	Retained Earnings	68,068	59,212
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$250,494	\$244,185
	TOTAL LIABILITIES AND CAPITAL	\$1,112,359	\$1,177,930

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
521	Flat Rate Revenues	\$413,227	\$424,779
522	Measured Revenues	\$ 40,514	\$ 66,750
536	Other Wastewater Revenues	\$ 3,403	\$ 8,330
	TOTAL REVENUES	\$457,144	\$499,858
	OPERATING EXPENSES		
701	Salaries and Wages	\$0	\$26,436
710	Purchased Wastewater Treatment		
711	Sludge Removal Expense	\$6,123	\$8,885
715	Purchased Power	\$23,712	\$37,054
716	Fuel for Power Production	\$968	0
718	Chemicals	\$18,610	\$29,398
720	Materials and Supplies	\$3,750	\$6,080
731	Contractual Services – Professional	\$171,719	\$110,956
735	Contractual Services – Testing	\$6,456	\$5,951
736	Contractual Services – Other	\$88,063	\$122,562
740	Rents	\$33,643	\$28,467
750	Transportation Expense	\$4,865	\$650
755	Insurance Expense	\$5,557	\$5,751
765	Regulatory Commission Expense	\$2,081	\$4,900
775	Miscellaneous Expense	\$43,143	\$60,295
403	Depreciation Expense	\$17,256	\$21,302
408	Taxes Other Than Income		
408.11	Property Taxes	\$9,264	\$8,738
409	Income Taxes	\$2,777	\$1,215
	TOTAL OPERATING EXPENSES	(\$437,987)	(\$478,640)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$92	\$447
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(\$374)	
427	Interest Expense	(\$548)	\$80
	TOTAL OTHER INCOME/EXPENSE	(\$830)	\$367
	NET INCOME/(LOSS)	\$18,684	\$21,232

COMPANY NAME

VERDE SANTA FE WASTEWATER COMPANY, INC.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

COMPANY NAME	VERDE SANTA FE WASTEWATER COMPANY, INC.	
Name of System:	Verde Santa Fe Wastewater Treatment Facility	Wastewater Inventory Number (if applicable): 102846

WASTEWATER COMPANY PLANT DESCRIPTION
TREATMENT FACILITY

TYPE OF TREATMENT (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Modified Extended Aeration with nutrient removal treating to class B+ effluent
DESIGN CAPACITY OF PLANT (Gallons Per Day)	123,800

LIFT STATION FACILITIES

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
4400 W Hogan Rd.	2	2	60	1,000
Wastewater Plant Site (influent)	2	15	620	1,814
Wastewater Plant Site (effluent)	2	26	356	4,681
Amante Sewer Lift Station (Water Plant Site)	2	17	65	2,500

FORCE MAINS

Size	Material	Length (Feet)
2-inch	PVC	6,690
4-inch	PVC	1,722
6-inch	PVC	5,447

MANHOLES

Type	Quantity
Standard	154
Drop	

CLEANOUTS

Quantity
31

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME Verde Santa Fe Wastewater Company, Inc.	
Name of System:	Wastewater Inventory Number (if applicable): 102846

WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)

COLLECTION MAINS

Size (in inches)	Material	Length (in feet)
3	PVC	2,265
4	PVC	3,651
6	PVC	22,954
8		
10		
12		
15		
18		
21		
24		
30		

SERVICES

Size (in inches)	Material	Quantity
2	PVC	353
4	PVC	607
6	PVC	4
8		

FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY PER WASTEWATER SYSTEM

SOLIDS PROCESSING AND HANDLING FACILITIES	Inlet Comminutor, Grit Chamber & Bar Screen Sludge digester/ settling tank and Draidmad 3-Bag sludge bagging unit
DISINFECTION EQUIPMENT (Chlorinator, Ultra-Violet, Etc.)	Liquid Chlorine Feed System
FILTRATION EQUIPMENT (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	
STRUCTURES (Buildings, Fences, Etc.)	Block fence around site, and landscaped berm Large Operations building and equipment building
OTHER (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	Standby Diesel power generator, confined space safety equipment, and all necessary laboratory and process control equipment

Note: If you are filing for more than one system, please provide separate sheets for each system.

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$10,060</u>
Estimated or Actual Federal Tax Liability	<u>\$1,509</u>

State Taxable Income Reported	<u>\$10,105</u>
Estimated or Actual State Tax Liability	<u>\$657</u>

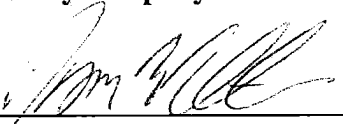
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-15-08

DATE

Jason Williamson

PRINTED NAME

PRESIDENT

TITLE

COMPANY NAME Verde Santa Fe Wastewater Company, Inc.

YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$11,950.40

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
APR 14 2008
CITY & COUNTY OF DENVER

VERIFICATION

STATE OF Colorado

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	CITY AND COUNTY OF DENVER
NAME (OWNER OR OFFICIAL) TITLE	JASON WILLIAMSON, PRESIDENT
COMPANY NAME	Verde Santa Fe Wastewater Company, Inc.

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

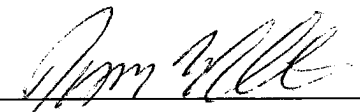
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

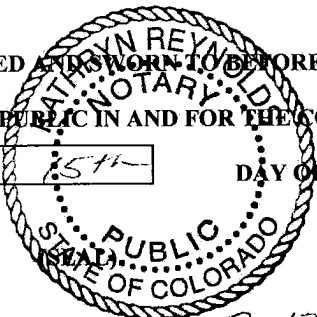
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
303-333-1250

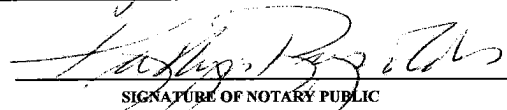
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 15th DAY OF



COUNTY NAME	City & County of Denver	
MONTH	April	2008

MY COMMISSION EXPIRES 3-13-11
My Commission Expires



SIGNATURE OF NOTARY PUBLIC

RECEIVED
APR 12 2008
CITY OF DENVER
OFFICE OF THE
TREASURER

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF COLORADO

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	DENVER	
NAME (OWNER OR OFFICIAL)	JASON WILLIAMSON	TITLE: PRESIDENT
COMPANY NAME	VERDE SANTA FE WASTEWATER COMPANY, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

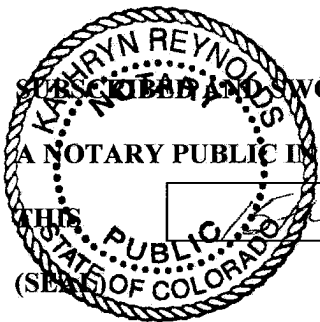
\$ 421682.00

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 0**

IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X _____
SIGNATURE OF OWNER OR OFFICIAL
303-333-1250
TELEPHONE NUMBER



**AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

DAY OF

NOTARY PUBLIC NAME	KATHRYN REYNOLDS	
COUNTY NAME	City & County of DENVER	
MONTH	April	2008

X _____
SIGNATURE OF NOTARY PUBLIC